UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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DP/PROJECTS/7107

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
PANAMA

IPF:(1987-91) $ 4 446 000

(PAN/91/008) - Institutional Strengthening of the Ministries of Education and Health

Date of approval by the AC:[1/]	24 July 1991
Expected duration:	Six months
Proposed executing agency:	Government
Government implementing agency:	Ministry of Planning and Economic Policy in co-ordination with the Ministries of Health and Education
Government cost sharing:	$ 7 264 500
Total UNDP budget:	$ 7 264 500

Project background

The budgetary allocation of Panama in the health and education sectors for the year 1991 was (US)$ 25.2 million. However, low commitment and implementation rates have been such that at year end only 35 percent of available resources would have been utilized. In addition, the situation is aggravated by the USAID (the funding source) stipulation that the funds, if not allocated and expended by the end of the year, will be lost.

Furthermore, as no budget allocations were provided during the past four years for maintenance and repairs of the physical installations of public schools and health centers including hospitals, a severe and accelerated deterioration process has taken place in these facilities which are mainly in deprived areas located in highly humid climate.

The Government of Panama has sought urgent UNDP assistance to overcome this critical situation and expedite the co-ordination and implementation of public investments in these social sectors.

In response to this emergency and prior to the present project, UNDP immediately approved a project (PAN/91/007) for a total of (US)$ 654,750 covering the requisite technical assistance. The latter, consisting of international and national sectorial expertise in Health and Education, is provided for building national capacities both in the area of health and education planning as well as specifically in the establishment and

[1/] **This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.**

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implementation of procurement and contractual modalities urgently required within the context of what the Panamanian Government describes as the Emergency Investment Programme in the social sectors. This current project (PAN/91/008) is a complement to the already approved and above-mentioned project (PAN/91/007).

Description of project

The development objective of the project is to contribute to the improvement of the education and health services of the country.

The immediate objective of the project is to enhance the capacity of delivery of technical goods and services in the education and health sectors, primarily by a process of "learning by doing". More specifically, under the aegis of (PAN/91/007) Institutional Strengthening of Health and Education Ministries, a new mechanism will be established for the management of the investment programme and for its implementation.

This project itself, in the short term, will result in the rehabilitation of the physical infrastructure of 65 educational institutions and 35 health centers and hospitals predominantly in the areas of critical poverty. In the longer term, the experience acquired in the course of the current project will be expanded to cover other sectors and to eventually result in the creation of a more streamlined mechanism, possibly a body/unit, for the management and execution of the investment programs, especially in the context of basic infrastructure needs in Panama.

Inputs

UNDP will provide through the Government 95 subcontracts to co-ordinate its investment programme and to prepare, process and execute these for the improvement/rehabilitation of schools, health centers and hospitals.

Financial data

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Subcontract	6 681 500
Equipment	237 000
Miscellaneous	346 500
Total	7 264 500

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